

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:593

ANSWERED ON:06.02.2017

Demand of Petroleum Products

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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether the rise in crude oil prices in the international market is a result of/has been attributed to production cuts by oil producing countries and if so, the details thereof and the reaction of the Government thereto;
- (b) whether India is one of the largest importer of crude oil in the world and if so, the details thereof along with rank of India as importer of crude oil as compared to other countries;
- (c) whether the demand of petroleum products including diesel/petrol which had risen sharply during the last two years reportedly got affected by demonetisation recently and if so, the details thereof and the reaction of the Government thereto;
- (d) the steps taken to increase the production of crude oil and petroleum products to meet the domestic demand including finalisation of a blue print to cut oil imports and target fixed in this regard along with developing alternative fuel economy to ensure energy sufficiency in the country;
- (e) the quantum of petroleum products including crude oil and natural gas produced and consumed during the last three years and the current year and steps taken to bridge/remove the demand and supply gap, product-wise;
- (f) the quantum of crude oil imported from various countries including Middle East Countries and foreign exchange and rupee spent thereon during the said period, country-wise including Iran and Saudi Arabia; and
- (g) whether the Government proposes to review the oil import policy and invest in Saudi Arabia and Iran to import oil through pipeline and if so, the details thereof?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DHARMENDRA PRADHAN)

(a): The Organization of the Petroleum Exporting Countries (OPEC) agreed in November, 2016 to cut its production. In December, 2016 several oil producing countries, including Russia, pledged for the same. The oil output cut has also contributed to the rise in crude oil price.

The Government has decided in April 2016 that Oil PSUs may formulate policies for import of crude oil in their best commercial interest and in accordance with the extant guidelines of the Central Vigilance Commission etc.

(b): As per information furnished by PPAC, India was third largest crude importing country in 2015.

(c): The total consumption of petroleum products have increased by 7.53% during Q3 of 2016-17 as compared to the corresponding period in 2015-16. The consumption of Petrol & Diesel has registered a growth of 11.9% and 5.45% respectively during the aforesaid periods.

(d) & (e): In order to accelerate the pace of exploration and enhance production of oil and gas in the country, the Government has taken various policy initiatives which are as under:-

- i. Gas Pricing Reforms
- ii. Discovered Small Field Policy
- iii. Hydrocarbon Exploration and Licensing Policy (HELP)
- iv. Monetization of the Ratna offshore field
- v. Permission of Extraction of CBM to Coal India Limited and its subsidiaries in coal mining area
- vi. Hydrocarbon Vision 2030 for North East
- vii. National Seismic Programme of un-appraised areas
- viii. National Data Repository

Also, the roadmap for reduction of import of crude oil dependence includes following:

- i. Increasing production of oil & gas;
- ii. Promoting energy efficiency and conservation measures;
- iii. Giving thrust on demand substitution;
- iv. Capitalizing untapped potential in biofuels and other alternate fuels/renewable; and
- v. Implementing measures for refinery process improvements.

The details of domestic production and consumption of petroleum products including Petrol, Diesel, LPG, LNG and crude oil during the last three years and current year are given in Annexure I.

(f): The quantum of crude oil imported from various countries including Middle East Countries and foreign exchange and rupee spent thereon during last three years and current year is given in Annexure-II. The region/country-wise details of import of crude oil, are given in Annexure-III.

(g): The Government has revised the policy on crude oil import for Oil PSUs in April 2016. Presently, there is no proposal before the Government to invest in pipeline for import of crude oil from Saudi Arabia. India has been involved in discussions on the India-Pakistan-Iran (IPI) pipeline project as a part of the Joint Working Group on Oil, Gas and Petrochemicals with Iran.